



IPA STORIES

Happy Holidays from the IPA

The IPA wishes you a Merry Christmas and a Happy New Year!

TAXATION

2025–26 Pre-Budget submissions

The Assistant Treasurer and Minister for Financial Services has called for submissions from individuals, businesses and community groups on their views regarding priorities for the 2025–26 Budget.’

ATO – Legislation update

The ATO have provided a legislation update on a number of measures that received Royal Assent on Tuesday, 10 December 2024

ATO Updates

The ATO have provided updates on: ‘holding some refunds to reduce cheques; New guidance released on schemes targeting early stage investors’ and other topics of interest

Factors released for indexation of student debt

The ATO has registered 2 instruments determining the indexation factors for student debt (HELP, ASSL and Financial Supplement debt).

Social Security indexation rates released for 1 January 2025

The Department of Social Security has published the January 2025 social security rates and thresholds on their website.

Quarterly SIC and GIC rates released

The ATO has published the shortfall interest charge (SIC) and general interest charge (GIC) rates for January-March 2025.

ATO Taxpayer Alert: Private companies guaranteeing third-party loans

The ATO is reviewing arrangements where private companies guaranteeing third-party loans, potentially circumventing Div 7A of the ITAA 1936.



ATO Taxpayer Alert: Early stage investor tax offset claimed using circular financing arrangements

The ATO is reviewing cases where individuals have claimed the early stage investor tax offset through tailored financial arrangements.

Division 7A: interposed entity loan guarantee arrangements (TD 2024/D3)

TD 2024/D3 sets out the ATO's preliminary view that s 109U ITAA 1936 is not confined to arrangements where a private company gives a guarantee to another private company.

CGT event K6: disposal of pre-CGT shares or trust interests

The ATO has issued a draft update to TR 2004/18 to revise and clarify the ATO view on CGT event K6.

Simplified transfer pricing record-keeping options: 2024-25 interest rates

The ATO has released its annual update of PCG 2017/2 setting out interest rates for the 2024-25 year.

Tax bills receive assent

A number of recent bills have received assent, including the Treasury Laws Amendment (2024 Tax and Other Measures No. 1) Act 2024.

ATO approach to suspected fraud involving unconnected third parties (PS LA 2024/1)

PS LA 2024/1 outlines the steps that ATO officers need to take where there is suspected fraud involving unconnected third parties.

New Productivity Commission inquiries: the five pillars of productivity

The Government has formally tasked the Productivity Commission with 5 new inquiries focused on identifying ways to boost Australia's productivity.

Digital news bargaining incentive announced

The Government announced it will establish a news bargaining incentive aimed at ensuring large digital platforms contribute to sustainability of news and journalism.



FINANCIAL SERVICES

Treasury Laws Amendment Bill 2024: Enhanced Disclosure Of Ownership Of Listed Entities

The IPA have made a submission on the Treasury Laws Amendment Bill 2024: Enhanced Disclosure Of Ownership Of Listed Entities stating that overall, the IPA supports the proposed legislative reform.

Updated ASIC Regulatory Guide 133 Funds management and custodial services

ASIC has updated RG 133 including updated references to relevant legislative instruments and good practices for crypto-assets holders.

AML/CTF reforms receive assent

The Anti-Money Laundering and Counter-Terrorism Financing Amendment Act 2024 has received assent.

ASIC highlights focus areas for 31 December 2024 financial reports

ASIC has highlighted focus areas including impairment and asset values; provisions; events after year end before completing the financial report and disclosures in the OFR.

SUPERANNUATION

APRA September quarter superannuation statistics

APRA has published its quarterly Superannuation Industry Publication, Product Statistics and Fund-Level Statistics for the September 2024 quarter.

Transitional rules made for defined benefit permanent incapacity benefits

The transitional rules give effect to the Government's policy objective that no veteran is worse off because of the Federal Court decision in Douglas.

REGULATOR NEWS

ASIC News

Updates from ASIC in the past week including media releases, news, articles and speeches.



APRA news

Updates from APRA in the past week including media releases, news, articles and speeches.

Proposed legislative amendments, Government announcements and consultations

Updates from the government including legislation.

Queensland Building and Construction Commission (QBCC) – Annual reporting

The QBCC have advised in their newsletter that ‘the 31 December annual reporting deadline for licensees in financial categories 1-7 is less than two weeks away and we are encouraging all accountants to lodge via myQBCC’.

IPA NEWS

Happy Holidays from the IPA

The IPA wishes you a Merry Christmas and a Happy New Year!

Please be advised that the next edition of Technical Advantage will be sent on January 15 2025.

TAXATION

2025–26 Pre-Budget submissions

The Institute of Public Accountants (IPA) will be making a submission and should you wish for your comments to be included in our submissions, please send any comments to ipaadvocacy@publicaccountants.org.au by **Friday 24 January 2025**.

You can review our [2024-25 submission here](#)

ATO – Legislation update

- [Taxation \(Multinational—Global and Domestic Minimum Tax\) Act 2024](#) (Act No. 132 of 2024)
- [Taxation \(Multinational—Global and Domestic Minimum Tax\) Imposition Act 2024](#) (Act No. 133 of 2024)
- [Treasury Laws Amendment \(Multinational—Global and Domestic Minimum Tax\) \(Consequential\) Act 2024](#) (Act No. 134 of 2024)

- Digital tax – pillar 2 ('Global anti-Base Erosion Rules') – domestic law implementation
- Digital tax – 'Domestic minimum tax rule' - domestic law implementation
- [Treasury Laws Amendment \(Responsible Buy Now Pay Later and Other Measures\) Act 2024](#) (Act No. 138 of 2024)
- [Capital Works \(Build to Rent Misuse Tax\) Act 2024](#) (Act No. 112 of 2024)
 - Multinational tax transparency – country by country reporting
 - Exempting lump sum payments in arrears from the Medicare Levy
 - Deductible Gift Recipient (DGR) specific listings – Winter 2024
 - Accelerating tax deductions for residential 'build to rent' developments
 - Reduce Managed Investment Trust withholding tax rate for residential 'build to rent' developments
- [Privacy and Other Legislation Amendment Act 2024](#) (Act No. 128 of 2024)
 - Privacy Act Reforms
- [Treasury Laws Amendment \(Fairer for Families and Farmers and Other Measures\) Act 2024](#) (Act No. 136 of 2024)
 - Deductible gift recipients
 - Amendments relating to the cessation of registries modernisation program
- [Superannuation \(Objective\) Act 2023](#) (Act No. 129 of 2024)
 - The Objective of Superannuation
- [Treasury Laws Amendment \(2024 Tax and Other Measures No. 1\) Act 2024](#) (Act No. 135 of 2024)
 - Reform to the foreign resident capital gains withholding system
 - Allowing employers to make single touch payroll (STP) declarations for extended periods
 - Allowing small and medium businesses up to four years to make self-amendments
 - Reducing the use of cheques for tax refunds from the Commissioner

ATO Updates

The ATO will begin to hold some refunds to reduce cheques

From 1 January, a new measure will allow for the ATO to retain refunds for up to 90 days when valid financial institution details (FID) are not available for a taxpayer.

The ATO will contact you or your clients to request [updated FID](#) so your clients can receive their refund by electronic funds transfer (EFT).

If the details are not updated within 90 days, the refund will issue as a cheque. This will apply to certain fringe benefits tax and income tax refunds.

The ATO is reminding tax professionals to include FID each time a form asks for it.



New guidance released on scheme targeting early stage investors

The ATO has released Taxpayer Alert [TA 2024/1: Early stage investor tax offset claimed using circular financing arrangements](#) in response to a new tax avoidance scheme being promoted in the community.

Under the scheme, an investment opportunity in a start-up company is promoted to individuals by the scheme operators. The operators assure them that the start-up qualifies as an [early stage innovation company](#) (ESIC) and that they can claim the early stage investor tax offset (tax offset). The operators lend the individual the money to buy shares in the start-up and then funds are moved around between the start-up, the individual investor, and the operator to access the tax offset.

The ATO is concerned that these start-ups don't qualify as ESICs and investors are claiming a tax offset they're not entitled to.

For more information on schemes visit [Recognising, rejecting and reporting unlawful tax and super schemes](#).

New Public Country-by-Country reporting obligations

Find out if your clients have new reporting obligations under the new measure requiring certain Ultimate Parent Entities to annually report tax information on a Country-by-Country basis. The changes apply for reporting periods commencing on or after 1 July 2024.

Read more about the new reporting requirements at [Public Country-by-Country reporting](#). *Understand what behaviours may attract the ATO's attention and their areas of focus for your private group clients*

As part of the ATO's commitment to transparency, they've introduced the new '[Areas of focus 2024-25](#)' page. It highlights their primary focus areas and outlines where they're investing their efforts to provide education and guidance, while engaging with private groups to help them understand their obligations and get things right.

They've also refreshed their broader '[What attracts our attention](#)' content. Key updates include:

- [International transactions](#) section now emphasising increased focus on cross border activities and transactions involving private groups
- [Private Wealth Adviser Program](#) explains the ATO's collaborative approach with professional firms and advisers within private wealth groups to achieve tax compliance.

These enhancements aim to make their focus areas clearer and provide resources for proactive compliance so you can better support your privately owned and wealthy group clients.

myGovID is now myID

The Australian Government's Digital ID app is now known as myID. It has a new name and look, but how you use it is the same.

There is nothing further that you or your clients need to do:

- If you already had the app on your smart device, your app should have automatically updated to myID.
- You will still have the same login details and identity strength.
- You still have access to a range of government online services, including Online services for agents.

You don't need to set up a new myID or reconfirm your details. If you've been asked to do this in a message, email or by visiting a website, it's a scam. If you have any practice and client resources which referred to myGovID, update them with the new myID name.

For more information, see: www.myID.gov.au/DiscovermyID.

How the ATO is protecting Australian employees' superannuation

The release of the [2023-24 super guarantee \(SG\) compliance results](#) shows the ATO's compliance work to protect employee super contributions.

Most employers are doing the right thing and paying 92.4% of the SG entitlements they are required to.

The ATO takes non-compliance very seriously and has ramped up its compliance actions to make sure employee super entitlements are protected.

Key results:

- The ATO collected and paid \$932 million of SG entitlements into the super funds of 797,000 employees.
- Over \$1.91 billion in SGC liabilities has been raised from employers through ATO compliance actions, proactive reminders and prompts, and SG voluntary disclosures.
- The ATO proactively contacted more than 167,000 employers, resulting in \$240 million in SGC liabilities raised.
- Approximately 23,600 investigations were finalised from ATO initiated cases and employee referrals for unpaid super.

There's a range of support tools available to share with your clients, including the [Simple checks for super success checklist](#).

Factors released for indexation of student debt

The ATO has registered the following 2 instruments that determine the indexation factors for student debt (HELP, ASSL and Financial Supplement debt), as a result of changes under the Universities Accord (Student Support and Other Measures) Act 2024:

- [Factor to Index an Accumulated HELP, AASL or Financial Supplement Debt 2024](#) - 1.040 is the new indexation factor for 1 June 2024, and the effective percentage increase is 4.0%. As the WPI was lower than the CPI in 2023-24, the indexation that was applied on 1 June 2024 will be retrospectively cut from 4.7% to 4.0%.
- [Factor to Index an Accumulated HELP, AASL or Financial Supplement Debt 2023](#) -



1.032 is the new indexation factor for 1 June 2023 and the effective percentage increase is 3.2%. As the WPI was lower than the CPI in 2022-23, the indexation that was applied on 1 June 2023 will be retrospectively cut from 7.1% to 3.2%.

From 5 December 2024, the Universities Accord (Student Support and Other Measures) Act 2024, changed the way in which the HELP, AASL and Financial Supplement debt indexation factor is calculated.

These changes apply from 1 June 2023. The HELP, AASL and Financial Supplement debt indexation factor is now the lower of the Consumer Price Index (CPI) indexation factor and the Wage Price Index (WPI) indexation factor worked out to three decimal places.

Social Security indexation rates released for 1 January 2025

The Department of Social Services (DSS) has published the [January 2025](#) social security rates and thresholds on the DSS website.

More than 1m Australians receiving youth, student and carer support will receive an increase when indexation takes effect from 1 January 2025.

- Carer Allowance payments increase by \$5.80, bringing the rate to \$159.30 per fortnight;
- For single recipients of Youth Allowance with dependent children, payments will increase by \$30.60 to a maximum rate of \$845.80 a fortnight (including Energy Supplement);
- Partnered recipients of Youth Allowance without dependent children will receive a payment increase of \$24.30, bringing the maximum rate to \$670.30 a fortnight (including Energy Supplement);
- Single or partnered recipients of Austudy with no dependent children will also see an increase to their payment, bringing their fortnightly total to \$670.30 (including Energy Supplement);
- the maximum rates of ABSTUDY Living Allowance for Masters and Doctorate students will increase to \$1,285.40 a fortnight; and
- the parental income test threshold for Youth Allowance will see an increase to \$65,189 a year.

Quarterly SIC and GIC rates released

The ATO has published the shortfall interest charge (SIC) and general interest charge (GIC) rates for January - March 2025:

- [SIC rates](#) - 7.42%
- [GIC rates](#) - 11.42%

The [credit interest rate](#) on overpayments and early payment of tax for January - March 2025 is 4.42%.



ATO Taxpayer Alert: Private companies guaranteeing third-party loans

The ATO has issued Taxpayer Alert [TA 2024/2](#) Arrangements to circumvent Division 7A of the Income Tax Assessment Act 1936 through the guaranteeing by private companies of third-party loans. The ATO is reviewing arrangements where a private company guarantees a loan to a related company, which then on-lends to the first company's shareholders, potentially circumventing Div 7A of the ITAA 1936.

These arrangements typically involve a trading company guaranteeing a loan to a lending company, which then pays or loans funds to the trading company's shareholders or associates.

The ATO is concerned that taxpayers may misunderstand the application of s 109U, believing it only applies when the third-party lender is a private company. Consequences may include Div 7A deeming an unfranked dividend payment or the Commissioner making a Part IVA determination.

The ATO is engaging with taxpayers and advisers involved in such arrangements. Those who have entered or are considering these arrangements are encouraged to contact the ATO, seek professional advice, or make a voluntary disclosure. Penalties may apply to participants and promoters.

ATO Taxpayer Alert: Early stage investor tax offset claimed using circular financing arrangements

The ATO has issued Taxpayer Alert [TA 2024/1](#) Early stage investor tax offset claimed using circular financing arrangements.

The ATO is reviewing cases where individuals have claimed the early stage investor tax offset through tailored financing arrangements. These arrangements appear designed to artificially meet conditions for claiming the maximum tax offset with minimal risk.

TA 2024/1 outlines the typical features of the scheme. In substance:

- an individual pays no amount for any residual shareholding they might continue to have in an early stage investor company (s 360-40 of the ITAA 1997) they have invested in through the scheme; and
- the refunded tax offset is shared between the individual, the company and the entities facilitating and financing the individual's share subscription.

The ATO is concerned that:

- individuals may not qualify for the tax offset;
- interest expenses may not be deductible; and
- the arrangements may be subject to anti-avoidance provisions and if the individual investor was entitled to an early stage investor tax offset or general deduction, the ATO would cancel the offset and deduction.

The ATO is also concerned that these arrangements are being promoted by advisers as legitimate tax arrangements to both individual taxpayers and start-up companies seeking seed capital.

The ATO is engaging with taxpayers and companies, producing a taxation determination, and increasing scrutiny of these arrangements.

Division 7A: interposed entity loan guarantee arrangements (TD 2024/D3)

Draft Determination [TD 2024/D3](#) sets out the ATO's preliminary view that s 109U of the ITAA 1936 (part of Div 7A) is not confined to arrangements where a private company gives a guarantee to another private company.

Section 109U is an anti-avoidance provision dealing with interposed entity loan guarantee arrangements. It applies where a private company with distributable profits guarantees a loan made by another entity ("the first interposed entity") with the intention or that there will be a distribution to its shareholder (or associate) via an interposed private company with little or no distributable surplus.

The ATO says that because s 109U contains no restrictions on the type of entity the first interposed entity must be, that entity may be "any entity", eg a bank.

Acknowledging that it is common for financial institutions to seek guarantees from related entities when providing loans to private companies, Draft TD 2024/D3 includes a proposed compliance approach regarding the application of s 109U. The ATO's focus is on high-risk arrangements displaying clearly artificial or contrived elements, eg such as those seeking to circumvent Div 7A through the exploitation of one or more private companies with no distributable surplus.

Proposed date of effect: retrospective.

Comments are due by 31 January 2025.

CGT event K6: disposal of pre-CGT shares or trust interests

The ATO has released a [draft update](#) to [TR 2004/18](#), its ruling on CGT event K6.

CGT event K6 (s 104-230 of the ITAA 1997) is effectively an anti-avoidance measure to prevent a "pre-CGT" entity being used as a repository to hold or accumulate post-CGT assets. It applies where a relevant CGT event happens to pre-CGT interests in a company or trust and the market value of the entity's post-CGT property is 75% or more of its net value.

The draft update contains proposed changes to TR 2004/18 to revise and clarify the ATO view. In particular, the ATO now says that only one capital gain can arise in relation to CGT event K6, even if the 75% test is separately satisfied by both the property referred to in s 104-230(2)(a) (post-CGT property of the company or trust) and the property referred to in s 104-230(2)(b) (interests owned through interposed companies or trusts in post-CGT property).

Proposed date of effect: retrospective. However, for K6 events occurring before the finalised addendum is issued, taxpayers may choose to rely on either the original or updated version of TR 2004/18.

Comments are due by 14 February 2025.

Simplified transfer pricing record-keeping options: 2024-25 interest rates

The ATO has released its annual update of Practical Compliance Guideline [PCG 2017/2](#), its guidance on simplified transfer pricing record-keeping options, including for low-level inbound and outbound loans.

In relation to the inbound loan option, one of the eligibility requirements is that the interest rate for small related-party loans cannot exceed a specified rate. PCG 2017/2 has been updated to include a maximum interest rate of 5.61% (down from 5.81%) for the 2024-25 income year.

Similarly, for the outbound loan option, the minimum interest rate for 2024-25 is 5.61%.

Tax bills receive assent

The following 5 tax bills received assent on 10 December 2024:

- Taxation (Multinational - Global and Domestic Minimum Tax) Act 2024 ([Act No 132](#));
- Taxation (Multinational - Global and Domestic Minimum Tax) Imposition Act 2024 ([Act No 133](#));
- Treasury Laws Amendment (Multinational - Global and Domestic Minimum Tax) (Consequential) Act 2024 ([Act No 134](#));
- Treasury Laws Amendment (2024 Tax and Other Measures No. 1) Act 2024 ([Act No 135](#)); and
- Treasury Laws Amendment (Fairer for Families and Farmers and Other Measures) Act 2024 ([Act No 136](#)).

Other Bills recently receiving assent include:

- Universities Accord (Student Support and Other Measures) Act 2024 ([Act No 108](#)) received assent on 5 December 2024; and
- Aged Care Act 2024 ([Act No 104](#)) received assent 2 December 2024.

ATO approach to suspected fraud involving unconnected third parties (PS LA 2024/1)

Practice Statement [PS LA 2024/1](#) outlines the steps that ATO officers need to take (including any corrective action) where there is suspected fraud affecting a taxpayer and:

- the fraud is committed by an unconnected third party, acting without any authority to represent the taxpayer; and
- the taxpayer has not contributed to or enabled or benefited from the entity's actions.

The ATO says that taxpayers will not be liable for losses to the revenue resulting from the fraudulent actions of unconnected third parties in such cases. Corrective actions that may be taken by the ATO include "cancelling" a tax return or BAS (but only if an assessment has not been made) or amending an assessment to correct the tax position.

A previous practice statement, [PS LA 2008/11](#) (Suspected fraud by a third party or tax practitioner), was withdrawn on 12 December 2024.

New Productivity Commission inquiries: the five pillars of productivity

The Government has [formally tasked](#) the Productivity Commission with 5 new inquiries focused on identifying ways to materially boost Australia's productivity.

The inquiries will consider the changing nature of Australia's economy and identify priority reforms that could drive measurable improvements in productivity growth.

Each inquiry will focus on one of the 5 pillars of the Government's productivity agenda:

- creating a more dynamic and resilient economy;
- building a skilled and adaptable workforce;
- harnessing data and digital technology;
- delivering quality care more efficiently; and
- investing in cheaper, cleaner energy and the net zero transformation.

The inquiries will run for 12 months, with preliminary recommendations for productivity enhancing reforms due in mid-2025.

The terms of reference for the inquiries have been published today on the [Productivity Commission's website](#).

Digital news bargaining incentive announced

On 12 December 2024, the Government [announced](#) it will establish a news bargaining incentive aimed at ensuring large digital platforms contribute to the sustainability of news and journalism in Australia.

The incentive will include a charge and a non-refundable offset. The incentive will apply to:

- entities that operate significant social media or search services;
- entities who together with their related bodies corporate exceed an annual threshold of \$250m gross revenue attributable to Australian markets (exclusive of GST).

The charge element of the incentive will apply to income years commencing on or after 1 January 2025. The charge will apply in addition to corporate income tax and will not be a deductible expense for corporate income tax purposes.

These changes are not yet law. The Government will consult on the technical details of the incentive, including the test for application.



FINANCIAL SERVICES

Treasury Laws Amendment Bill 2024: Enhanced Disclosure Of Ownership Of Listed Entities

While supporting the proposed legislative reform, the IPA has made a number of comments on:

- Extension of fee-free inspection of tracing notice registers to academics and journalists
- Suspicion on 'reasonable grounds'
- Information required to be given

You can read the [full submission](#) here

Updated ASIC Regulatory Guide 133 Funds management and custodial services

ASIC has updated Regulatory Guide 133 Funds management and custodial services: Holding assets ([RG 133](#)), which replaces guidance issued in June 2022. The update includes the following revisions:

- updated references to relevant legislative instruments, including legislative instruments imposing financial requirements; and
- good practices for crypto-assets holders (such as custodians of crypto-assets which are financial products), including maintaining robust information security controls and risk management processes.

AML/CTF reforms receive assent

[Anti-Money Laundering and Counter-Terrorism Financing Amendment Act 2024](#) (Act No 110) received assent on 10 December 2024: see 2024 WTB 37 [684].

The Act will repeal the Financial Transaction Reports Act 1988 ("FTR Act") and make amendments to the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (AML/CTF Act) to:

- extend the AML/CTF Act and AML/CTF Rules and associated regulations to additional services that are globally recognised by the Financial Action Task Force (FATF) - the global financial crime body - as posing high money laundering and terrorism financing risks. This includes certain higher-risk services provided by real estate professionals, professional service providers including lawyers, accountants and trust and company service providers, and dealers in precious stones and metals (known as "tranche two" entities);
- simplify the AML/CTF program and customer due diligence ("CDD") obligations to minimise regulatory burden and improve compliance;
- provide new powers for the Australian Transaction Reports and Analysis Centre ("AUSTRAC"), as the AML/CTF regulator and Financial Intelligence Unit (FIU), to require the disclosure of information and conduct examinations; and
- modernise the regime to reflect changing business structures, technologies and illicit



financing methodologies.

The reforms will not fundamentally change the central tenets of the existing AML/CTF regime, which align with international obligations.

ASIC highlights focus areas for 31 December 2024 financial reports

ASIC is urging directors, preparers of financial reports and auditors to be aware of the enduring and ongoing focus areas in its proactive surveillance of financial reports for the year ending 31 December 2024.

Areas of focus for the upcoming reporting season include:

- impairment and asset values;
- provisions;
- events after year end and before completing the financial report; and
- disclosures in the financial report and Operating and Financial Review (OFR).

For some entities, new sustainability and climate reporting requirements will commence for financial years beginning on or after 1 January 2025.

While the first cohort of reporters will be the very largest entities that report under Chapter 2M of the Corporations Act 2001, all entities subject to the sustainability reporting requirements should understand how the new requirements apply to them.

ASIC's surveillance project focusing on auditors' compliance with independence and conflicts of interest obligations will continue in early 2025. ASIC encourages auditors to self-identify and self-report non-compliance with these obligations.

Further detail is available on [ASIC's financial reporting and audit focus areas page](#).

SUPERANNUATION

APRA September quarter superannuation statistics

APRA has published the following superannuation statistics for the September 2024 quarter:

- [Quarterly Superannuation Industry Publication](#);
- [Quarterly Superannuation Product Statistics](#); and
- [Quarterly Fund-Level Statistics](#).

Transitional rules made for defined benefit permanent incapacity benefits

[Income Tax \(Transitional Provisions\) \(Permanent Incapacity Benefits\) Rules 2024](#) ("the Rules") have been registered. The rules are made under s 301-105 of the Income Tax (Transitional Provisions) Act 1997 ("the Act"). These rules relate to individuals impacted by the Federal Court decision in *FCT v Douglas* [2020] FCAFC 220 (the [Douglas decision](#)) which found that,

from 1 July 2007, certain invalidity pension payments for veterans and their beneficiaries are superannuation lump sums, and not superannuation income stream benefits.

The rules support implementation and administration of the amendments made by Sch 9 to the [Treasury Laws Amendment \(2022 Measures No. 4\) Act 2023](#) to give effect to the Government's broad policy objective that no veteran is worse off because of the Full Federal Court decision in Douglas. The rules are limited to transitional arrangements for 2022-23 and 2023-24.

REGULATOR NEWS

ASIC News

ASIC has released the following updates in its Newsroom section:

- [13 December 2024 – MEDIA RELEASE – Lead auditor of Greensill Group suspended by Companies Auditors Disciplinary Board until June 2026](#) – Mr Joseph John Santangelo, a Partner at Nexia Sydney Audit Pty Ltd, has had his licence suspended until 1 June 2026 for failing to perform his duties in auditing the accounts of Greensill Capital Pty Ltd and its subsidiaries for the financial years ending 31 December 2018 and 31 December 2019. The Greensill group entered administration in March 2021. Policing auditor misconduct is one of ASIC's top priorities for 2025.
- [13 December 2024 – MEDIA RELEASE – ASIC cancels AFS licence of Macgill Financial Services Pty Ltd](#) – ASIC has cancelled the Australian financial services licence of Macgill Financial Services Pty Ltd because the company no longer carries on a financial services business. It had held the licence since 2012.
- [13 December 2024 – MEDIA RELEASE – ASIC cancels AFS licence of Patrick Joseph O'Neill](#) – ASIC has cancelled the Australian financial services licence of Patrick O'Neill because of his failure to comply with the obligations of holding a licence. He had held the licence since 2017. For financial years between 2018 and 2023, he had not lodged statements with ASIC, or been a member of an external dispute resolution scheme as required by law, and also failed to pay outstanding industry levies to ASIC.
- [13 December 2024 – MEDIA RELEASE – Ex-Vocus chair Vaughan Bowen found not guilty of insider trading](#) – A jury in the has acquitted Vaughan Bowen, the former Chair of Vocus Group Ltd, of two counts of insider trading. ASIC had alleged that Mr Bowen sold Vocus shares in 2019 while having inside information about the withdrawal of a takeover bid for the company.
- [13 December 2024 – MEDIA RELEASE – ASIC highlights focus areas for 31 December 2024 financial reports](#) – ASIC Commissioner Kate O'Rourke has urged company directors, auditors and compilers of company reports to be mindful of its key areas for compliance in the lead up to its surveillance of reports for the year ending 31 December 2024, based on areas where deficiencies were identified in the past. In addition, some entities will be required to lodge a consolidated entity disclosure statement for the first time. For other identities, 1 January 2025 marks the start of the requirement to report on sustainability and climate matters under Chapter 2M of the *Corporations Act 2001* (Cth).
- [12 December 2024 – MEDIA RELEASE – Kraken crypto exchange operator to pay \\$8 million following ASIC enforcement action](#) – Bit Trade Pty Ltd, which operated the Kraken cryptocurrency exchange, has been ordered to pay a penalty of \$8 million by the Federal Court for offering a credit facility without a target market determination. Bit

Trade continued to offer the product when it was aware, or should have been aware, that it was likely to be contravening the law. Over 1,100 customers were issued a margin extension product and charged fees and interest in excess of \$US7 million without any consideration of whether the product was appropriate for them. This is first instance of a penalty being imposed on an entity for failing to issue a target market determination. The [judgment](#) of Nicholas J is available.

- [12 December 2024 – MEDIA RELEASE – Former Director and CEO of Bananacoast Credit Union sentenced for dishonest conduct](#) – In the Brisbane District Court, Lyndon Allen Kingston, the former Director and CEO of Bananacoast Credit Union Ltd, has been convicted of two counts of dishonestly using his position to his own advantage, and two counts of providing false information to BCU's auditor, and sentenced to 18 months' imprisonment.
- [12 December 2024 – MEDIA RELEASE – ASIC's Moneysmart reveals how Aussies plan to spend this Christmas](#) – ASIC has advised consumers to be mindful of their spending on gifts, travel and celebrations over the holidays. New research from ASIC's Moneysmart program estimates that Australians will spend an average of \$800 in the festive period. ASIC has provided tips to limit the damage from overspending.
- [11 December 2024 – MEDIA RELEASE – ASIC sues Rex and four directors for serious governance failures](#) – ASIC is seeking leave to commence proceedings in the New South Wales Supreme Court against Regional Express Holdings Ltd (admins apptd) alleging that the company and four directors had engaged in misleading and deceptive conduct and breaches of continuous disclosure obligations under the *Corporations Act 2001* (Cth). Because the company is in administration, ASIC needs to have court approval to proceed. ASIC alleges that Rex had no reasonable basis for forecasting to ASX that it would return a profit for the 2023 financial year and failed to disclose a material downgrade to its expected profit.
- [10 December 2024 – NEWS ITEM – ASIC reissues Regulatory Guide 133 on funds management and custodial services](#) – ASIC has issued a revised version of Regulatory Guide 133 *Funds management and custodial services: Holding assets* as guidance for responsible entities of registered managed investment schemes and licensed providers of custodial services. The revisions include updated references to legislative instruments and reflect rapidly evolving market conditions arising from the growth of cryptocurrency.
- [10 December 2024 – NEWS ITEM – ASIC proposes to remake relief instrument for 31-day notice term deposits](#) – ASIC has issued draft revisions to Class Order [CO 14/1262] *Relief for 31-day notice term deposits* to give relief to give authorised deposit-taking institutions the option of providing a single notice to the depositor at least seven days, and no more than 14 days, before maturity. The current conditions for relief require institutions to send depositors to a notice both before and after the deposit rolls over. Interested parties may make submissions until 7 February 2025.
- [9 December 2024 – MEDIA RELEASE – ASIC accepts court enforceable undertaking from Northern Territory pawnbroker for unlicensed credit](#) – ASIC has accepted an enforceable undertaking from Lend NT Pty Ltd and its director after the company breached the *National Consumer Credit Protection Act 2009* (Cth) between 2019 and 2024. ASIC learned of the matter through a complaint from a financial counselling service. Lend NT operated a loan scheme beyond the scope of its pawnbroking licence and must repay 58 customers almost \$50,000 in remediation payments including refunds of prohibited fees, charges and interest.



APRA news

APRA has released the following updates in its News and publications section:

- [13 December 2024 – MEDIA RELEASES – APRA releases enhanced annual private health insurance statistics for 2023-2024](#)
- [12 December 2024 – MEDIA RELEASES – APRA publishes the September 2024 edition of the Quarterly Superannuation Industry Publication, Superannuation Product Statistics and the Fund-level Statistics](#)
- [12 December 2024 – MEDIA RELEASES – APRA releases quarterly authorised deposit-taking institution statistics for September 2024](#) – APRA has released its Quarterly Authorised Deposit-taking Institution Statistics for the September 2024 quarter. Profits for regulated institutions declined by 7.4% over the preceding 12 months. The total of assets held by regulated entities grew by 2.4% over the same period.
- [11 December 2024 – MEDIA RELEASES – APRA releases quarterly private health insurance performance statistics for September 2024](#)
- [9 December 2024 – MEDIA RELEASES – APRA to phase out AT1 as eligible bank capital](#) – Following a consultation, APRA has advised banks that over the next eight years it will phase out Additional Tier 1 capital instruments to enhance banks' resilience in the context of a crisis. Most of the feedback APRA received supported the proposal and considered that AT1 did not satisfy the aims of stabilising a bank under financial stress or mitigating the risk of collapse.

Proposed legislative amendments, Government announcements and consultations

- [11 December 2024 – LEGISLATION – Anti-Money Laundering and Counter-Terrorism Financing Amendment Bill 2024](#) – This Act received assent as Act No 110 of 2024 and makes a consequential amendment to the *Australian Securities and Investments Commission Act 2001* (Cth) to repeal s 243D (Financial transaction reports). This will take effect on 7 January 2025.
- [11 December 2024 – LEGISLATION – Treasury Laws Amendment \(Fairer for Families and Farmers and Other Measures\) Act 2024](#) – This Act received assent as Act No 136 of 2024. Amendments to the *Australian Securities and Investments Commission Act 2001* (Cth) regarding the transfer of staff members took effect on 11 December 2024. Amendments to the *Corporations Act 2001* (Cth) regarding the contents of financial reports took effect on the same date. Amendments regarding a declaration of relevant relationships for a liquidator of a sub-fund of a CCIV will take effect on 24 December 2024.
- [11 December 2024 – LEGISLATION – Treasury Laws Amendment \(Mergers and Acquisitions Reform\) Act 2024](#) – This Act received assent as Act No 137 of 2024. Amendments to the *Corporations Act 2001* (Cth) are limited to transfers of shares in the business of a licensed clearing and settlement facility under Div 4 of Pt 7.3B and will take effect on 1 July 2025.



Queensland Building and Construction Commission (QBCC) – Annual reporting

The QBCC have said that ‘we’ve got answers to commonly asked annual reporting questions, how-to tips for the myQBCC portal and examples of financial arrangements and scenarios designed to better explain the QBCC’s minimum financial requirements

Online lodgment required

Do you assist QBCC clients with their annual reporting obligations?

If you do, please ensure the submissions are lodged using the myQBCC online portal —it is quick and easy to use, frees up valuable QBCC resources and saves your client receiving auto-reminders and possibly even disciplinary action notices if the lodgment sits in our manual entry queue awaiting action.

You can submit annual reporting for licensees in financial categories 1-7 using myQBCC from early August each year, which provides a four-month window, before the 31 December deadline, to submit on time.

We’ve included some handy myQBCC user tips below, including links to our annual reporting user guides. Our friendly customer services officers are also available to answer your enquiries on 139 333.

Reminder: trust account changes

We would like to remind accountants of the changes to the trust account framework as part of the Building Industry Fairness (Security of Payment) and Other Legislation Amendment Act 2024, in July this year.

Trust account reviews

Trustees are no longer required to engage an auditor to carry out an account review report. This applies to all trustees and retention trust accounts opened from 1 July 2024, when this change came into effect.

This change is designed to support industry transition over a longer period to help trustees adapt to the new record keeping and software requirements.

The QBCC will continue its monitoring and auditing role in the interim.

Retention trust training

Trustees are no longer required to complete retention trust training.

The QBCC is currently updating some key training materials, including videos and trustee guides following the changes to the trust account framework.

Future educational opportunities will be detailed on QBCC’s website once this work has been completed.